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SRI N. K. PALANISAMI :Mr. Deputy Speaker, Sir, I request the Hon. Minister to make a statement under Rule 41 of the Assembly Rules with regard to a matter of urgent public importance, viz., the soaring prices of essential commodities and the need to arrest the upward trend in prices.

THE HON. SRI M. BHAKTAVATSALAM : Mr. Deputy Speaker, Sir, the Government are keeping a close watch over the trend of prices of all commodities and are aware that there has been a gradual upward trend in the prices of foodgrains like rice, cumbu, cholam and ragi in the last three years, which must be a matter of concern to one and all.

2. Foodgrains generally follow the normal course of recession during the harvest months of January to March and a rise thereafter till the commencement of the main harvest in December-January. The index number of wholesale prices of foodgrains, which stood at 473 in April 1958, advanced to 569 in December 1958. In January 1959, with the commencement of harvest, the index declined to 541. Towards the end of the month, prices of paddy and rice were controlled by fixation of ceilings and were thus prevented from rising to high levels. The index number of wholesale prices of foodgrains declined further as a result of fixation of ceiling prices of paddy and rice. The lowest level in 1959 was touched at 489 in August 1959. In November 1959, price control on paddy and rice was lifted. The index for foodgrains rose sharply to 586 in the same month. With the commencement of harvest of paddy in certain producing areas, the index receded to 539 in February 1960. The upward trend resumed thereafter and the index reached 622 in November 1960. The usual downward trend was noticed during the subsequent four months when harvest commenced. The index receded to 573 in March 1961. In July 1961, the index stood at 614. The continued upward trend in wholesale prices not only of foodgrains but also of other commodities is largely due to the rising pressure of the demand resulting from the growth of population and the increase in money incomes.

9-30 p.m. 3. In 1959, the Government launched upon a scheme of local procurement and price control of foodgrains but this scheme had to be given up later, in view of the difficulties with which the Government were confronted, these difficulties being inherent in any scheme of partial control. In order to stabilise the price of rice during the lean months the Government sanctioned during 1960 the opening of Fair Price shops throughout the State with the allotment of rice made by the Government of India from their Central reserve. Normally, these Fair Price shops should have been closed by the end of January 1961, when the produce of the main harvest flowed into the market. But as the

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prices of foodgrains were still high, the Government ordered the continuance of the Fair Price shops even beyond January 1961. These shops have been functioning continuously since then and the Government have sanctioned their further continuance till the end of December 1961, for the present. These shops will be continued even beyond December 1961, if this is found to be necessary. The Government are also willing to open additional Fair Price shops in any district if there is demand for them. Apart from these fair price shops for rice, there are separate Fair Price shops for distribution of wheat to the general public. These shops get their supplies of wheat from the Regional Director (Food), Madras, at the controlled price of Rs. 14 per maund. The Regional Director (Food), Madras, is also holding some stocks of imported milo. The Collectors of the Districts have been informed that they can arrange for opening of Fair Price shops for distribution of milo also through local traders, if there is a demand for the same in their districts. These are some of the measures taken by this Government at the State level.

4. The problem of stabilising the prices of commodities in a developing economy bristles with difficulties. The Planning Commission has considered this problem in great detail and has discussed in Chapter VII of the Third Five-Year Plan several measures to correct or moderate undesirable price trends. Honourable Members will appreciate that any measure in this regard can be taken up effectively only on an All-India basis.

5. I may, however, submit that unlessthere is a substantial increase in the production of foodgrains and other commodities, there can be no real solution to this problem of rise in prices. The aim of our Plans has been and continues to be to increase the ouptut of foodgrains and other essential commodities to the maximum extent possible.

III.—PRESENTATION OF THE REPORT OF THE COMMITTEE ON ESTIMATES.

SRI C. R. RAMASWAMY: Mr. Deputy Speaker, Sir, I, Chairman, Committee on Estimates, present the Report of the Committee on Fisheries Department.

IV.—THE MADRAS STATE ELECTRICITY BOARD BUDGET FOR 1961–62.

DEPUTY SPEAKER: Now the discussion on the State Electricity Board Budget for 1961–62 will be continued. The hon. Member, Sri M. Kalyanasundaram may now move his amendments.